



Corporate Office: N8790 Fairground Avenue, P.O. Box 160 • Greenwood, WI 54437-0160 • Phone (715) 267-6182 • Fax (715) 267-6044

## # 90905B BUTTERMILK POWDER 50# L SPECIFICATION

### 1) INGREDIENTS:

- Sweet Cream Buttermilk

### 2) PRODUCT DESCRIPTION:

- A dry product that has been spray-dried from buttermilk, which is produced by churning sweet cream into butter

### 3) PHYSICAL PROPERTIES:

Attribute	Guideline	Methods
Body	Soft powder	Visual
Texture	Free from hard lumps	Visual
Color & Appearance	Uniform white to light cream	Visual
Flavor & Odor	Sweet & pleasing, free from abnormal flavors/odors (acid, stale, sour, oxidized)	Organoleptic
Extraneous Matter	Free from abnormal sediments & foreign material	Visual
Scorched Particle	<= 15.0 mg (Disc B)	ADPI on 25g
Solubility Index	< 1.25 ml	ADPI

### 4) NUTRITION FACTS:

Nutrition Facts	Amount/serving		Amount/serving	
Serving size 100g	<b>Total Fat</b>	5.78 g	<b>Total Carbohydrate</b>	49.00 g
	Saturated Fat	3.60 g	Dietary Fiber	0.00 g
	Trans Fat	0.15 g	Total Sugars	49.00 g
	<b>Cholesterol</b>	69.00 mg	Includes 0.00g of Added Sugars	
<b>Calories 387</b> per serving	<b>Sodium</b>	517.00 mg	<b>Protein</b>	34.30 g
	Vitamin D	0.50 mcg	Calcium	1184.00 mg
	Potassium	1592.00 mg	Iron	0.30 mg
			Vitamin A	49.00 mcg

### 5) COMPOSITION:

Attribute	Guideline	Methods
Protein-Kjel N x 6.38 (dry basis)	>= 30.0%	SMEDP, 17th Edition: 15.122 (Class B)
Moisture	<= 4.0%	SMEDP, 17th Edition: 15.122 (Class B)
Fat	>= 4.5%	SMEDP, 17th Edition: 15.122 (Class B)
Ash	<= 9.0%	SMEDP, 17th Edition: 15.122 (Class B)
pH	6.0 - 6.8	SMEDP, 17th Edition: 15.022 (Class O)
Titrateable Acidity	< 0.18%	SMEDP, 17th Edition: 15.023 (Class O)
Whey Protein Nitrogen (WPN)	> 1.5 mg/g	ADPI, SMEDP 15.134

EXHIBIT

A



DAIRY PRODUCTS INC.

Dairy Products LLC

Corporate Office: N8790 Fairground Avenue, P.O. Box 160 • Greenwood, WI 54437-0160 • Phone (715) 267-6182 • Fax (715) 267-6044

**6) MICROBIOLOGICAL STANDARDS:**

Attribute	Guideline	Methods
Standard Plate Count	< 20,000 CFU/gram	SMEDP, 17th Edition: 6.040 (Class A1)
Coliform	< 10 CFU/gram	SMEDP, 17th Edition: 7.071 (Class A1)
Yeast	<= 50 CFU/gram	AOAC 997.02
Mold	<= 50 CFU/gram	AOAC 997.02
Salmonella	Negative/1500 grams	AOAC 2011.03, AOAC PTM 020901
S. aureus (CPS)	< 10 CFU/gram (Negative)	FDA BAM (AOAC 975.55)
E. coli	< 10 CFU/gram (Negative)	AOAC 991.14
Listeria genus	Negative/25 grams	AOAC 2004.06, 999.06, PTM 981202

All procedures and methods followed for the testing and examination of product are AOAC and Standard Methods approved. All raw materials, packaging, and ingredients, including those received from other sites under the same corporate ownership, shall comply with specifications and with the relevant legislation in the country of manufacture and country(ies) of destination, if known.

**7) SHELF LIFE/STORAGE:**

- 12 months from the date of production
- Storage Conditions: Temperature: <80°F, Relative Humidity: <65%, in an odor-free environment

**8) ALLERGEN:**

- Contains Milk

**9) KOSHER STATUS:**

- Kosher Dairy Certified - Orthodox Union

**10) HALAL STATUS:**

- Halal Certified - Islamic Food & Nutrition Council of America (IFANCA)

**11) PACKAGING:**

- 3-ply paper bag with plastic inner liner
  - Packaging Code & Description: BM120334 BAG GRSSLND PRINT-W
  - Package Dimensions: 20" x 35" x 5.75"
  - Net weight: 50 lbs
- Pallet Configuration: 5 bags x 8 layers = 40 bags per pallet
- Pallet Dimensions: 40" x 48" x 5" (1016mm x 1219mm x 127mm)
- Pallet Type: Heat Treated Pallets



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## 12) LABELING REQUIREMENTS:

### ■ GREENWOOD, WI LABELING

#### ■ LABEL ON BAG – EXAMPLE TO RIGHT

- Label applied to one side of each bag
- Line 1: Item/Product Description
- Line 2: Manufacturer Name
- Line 3: Plant Number
- Line 3: Manufacturer Address (Street)
- Line 4: Manufacturer Address (City, State, Zip)
- Line 5: Packaging Date (DD/MM/YY)
- Line 6: Lot Number
- (Dryer #+Bin #+Seq. #+Julian Date+Year+Sublot #)
- Line 7: Expiry Date (DD/MM/YY)
- Line 8: Net Contents/Weight
- Line 8: Kosher Symbol
- Line 9: Allergen Statement
- Line 10: Country of Origin Statement
- Line 11: Storage Instructions

### BUTTERMILK POWDER SWEET

Manufacturer: Grassland Dairy Products, Inc.  
Plant # 55-304 N8790 Fairground Avenue  
Greenwood, WI 54437

Packaging Date: 20/03/19

Production Code: 03410791901

Expiry Date: 20/03/20

Net Contents: 50 lbs.



Contains: Milk

Country of Origin: United States

Storage Conditions: In a dry place at ambient temperature.

#### ■ LABEL ON PALLET – EXAMPLE TO RIGHT

- Label applied to all 4 sides of each pallet
- Line 1: Item Number
- Line 1: Kosher Symbol
- Line 2: Item/Product Description
- Line 3: Allergen Statement
- Line 4: Manufacturer Name
- Line 5: Plant Number
- Line 6: Lot Number
- (Dryer #+Bin #+Seq. #+Julian Date+Year+Sublot #)
- Line 7: Bag Count
- Line 8: Net Contents/Weight
- Line 9: Pallet Number

Item #90905 B

SWEET CREAM BUTTERMILK POWDER

Contains: Milk

Grassland Dairy Products, Inc.

Plant #55-304

Lot Number: 03410791901

Bag Count: 40

Net Weight/Bag: 50 lbs.

Pallet Number

1

## 13) GENERAL INFORMATION

- This specification does not constitute a contract between the customer and Grassland Dairy Products, Inc., West Point Dairy Products, LLC, Graf Creamery, Inc., or Alcam Creamery.
- This specification data is provided for informational purposes only. No representations, guarantees or warranties are provided as to the accuracy or completeness of any information provided in these specifications.
- The customer should make their own investigations to determine the suitability of this product and information for their particular application. It is the customer's responsibility to ensure safe conditions for handling, storage and disposal of the product and to assume liability for loss, injury, damage or expense due to improper use.

LAND O'LAKES  
Purchase Order Print

02/19/2021

Page -

1 of 2

Correspondence Method      Fax  
Fax #

LAND O'LAKES  
306 PARK ST  
SPENCER WI 54479

Shipped From  
GRASSLAND DAIRY PRODUCTS INC  
N8790 FAIRGROUND AVENUE  
PO BOX 160  
GREENWOOD WI 54437-0160

**Purchase Order**

P O Number      Revision  
50986531      OP      0

Ship To  
LOL SPENCER  
306 PARK ST  
SPENCER WI 54479

Bill To :  
LAND O'LAKES, INC.  
PO BOX 64281  
ST PAUL MN 55164

Email: DairyPO@LandoLakes.com

Ship/Have Ready Date	Payment Terms	Date of Order / Buyer
01/26/2021	NET 10 DAYS	12/15/2020      SCHOENFUSS, JESSICA
Arrival Date	Buyer Phone #	Date of Revision / Buyer
01/26/2021		
FOB / Freight Terms	Ship Via	Carrier
DFP    FOB Destination, Freight PPD		
Delivery		

Line	Item Number	Vendor Item Number	Description /Supplier Item	Ordered	Unit	Unit Price	Extended Price
1.000186003			BUTTERMILK PWD SWT CRM 50# BG	880.0000	BG	1.1060	48,664.00
	186003		BUTTERMILK PWD SWT CRM 50# BG				

For delivery appointments please email Dan Weber - [dhweber@landolakes.com](mailto:dhweber@landolakes.com).

Please acknowledge receipt of this order via fax or email along with any changes/updates.

A Certificate of Analysis MUST be sent, preferably via email, to: [SpencerCOA@landolakes.com](mailto:SpencerCOA@landolakes.com) . If unable to email, please have it sent with the driver or faxed to: (715) 659-5990. Failure to do so will result in the truck being held for unloading until one is received.

Thank you.

Order Type    OP

Total Order      48,664.00

Full truck load shipments:

Land O'Lakes trailer seal policy requires that all truckload shipments must have a numbered seal tag secured by the shipping facility, and at which time the driver will also secure a padlock to the trailer. The numbered seal will be noted on the BOL for verification at the receiving facility. The seal tag and padlock must remain on the trailer, intact, until verified and removal of the seal by the Land O'Lakes receiving facility. In the unusual event that the original seal tag has to be removed in route, a new seal tag should be placed on the trailer and the

**EXHIBIT****B**

R43500

LAND O'LAKES  
Purchase Order Print

02/19/2021

Page -

2 of 2

Correspondence Method

Fax

Fax #

LAND O'LAKES

306 PARK ST

SPENCER WI 54479

Shipped From

GRASSLAND DAIRY PRODUCTS INC  
N8790 FAIRGROUND AVENUE  
PO BOX 160  
GREENWOOD WI 54437-0160**Purchase Order**

P O Number Revision

50986531 OP 0

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SPENCER WI 54479

Bill To :

LAND O'LAKES, INC.

PO BOX 64281

ST PAUL MN 55164

Email: DairyPO@LandoLakes.com

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01/26/2021	NET 10 DAYS	12/15/2020 SCHOENFUSS, JESSICA
Arrival Date	Buyer Phone #	Date of Revision / Buyer
01/26/2021		
FOB / Freight Terms	Ship Via	Carrier
DFP FOB Destination, Freight PPD		
Delivery		

Line	Item Number	Vendor Item Number	Description /Supplier Item	Ordered	Unit	Unit Price	Extended Price
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bill of lading revised to reflect the new seal number, along with the date, time, the driver's initials, a detailed explanation of the reason the seal tag was compromised, and the driver will re-secure the padlock to the trailer until it is verified by the Land O'Lakes receiving facility. In addition, a follow-up phone call must be made to your Land O'Lakes contact outlining these circumstances.

**LTL shipments:**

All LTL shipments must be secured with a padlock, at a minimum, to the truck trailer. The padlock must be utilized to secure the trailer throughout the LTL delivery schedule. A Land O'Lakes representative must verify the shipment was secured with the trailer padlock upon delivery at the receiving location

Supplier acknowledges that the Land O'Lakes Terms and Conditions attached and incorporated herein shall govern this transaction.

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**LAND O'LAKES, INC.**  
**PURCHASE TERMS AND CONDITIONS**

**AGREEMENT** These Terms and Conditions shall govern all sales of goods made by the party selling ("Supplier") to Land O'Lakes, Inc. and/or its subsidiaries or divisions including Nutra-Blend, LLC, Purina Animal Nutrition, LLC, and Vermont Creamery, LLC (collectively "Buyer"). If Supplier has made an offer to Buyer, Buyer's acceptance of Supplier's offer is expressly made conditional on Supplier's assent to these Terms and Conditions. If Supplier has not made an offer to Buyer, Buyer objects to any additional or different terms set forth in any acceptance from Supplier. Supplier's commencement of any performance in response to Buyer's offer or counteroffer shall constitute Supplier's acceptance of these Terms and Conditions.

**DELIVERY AND INSPECTION** Time shall be of the essence with respect to the delivery of any goods ordered by Buyer from Supplier. All goods furnished by Supplier to Buyer shall be received subject to Buyer's right of inspection and rejection at any time after receipt. Supplier shall reimburse Buyer for all costs and expenses incurred by Buyer in returning any rejected goods to Supplier.

**RISK OF LOSS** Risk of loss shall pass to Buyer only upon receipt of goods furnished by Supplier at Buyer's place of business.

**INDEMNIFICATION** Supplier shall defend and indemnify Buyer from and against any and all claims by any third parties for death, personal injury, property damage, economic loss or other damage or loss caused directly or indirectly by any goods furnished by Supplier to Buyer. Supplier's obligations shall include the obligation to: (a) pay all attorney fees, expert witness fees, costs and disbursements incurred by Buyer in defending any such claims; (b) reimburse Buyer for any amounts that Buyer, in its sole discretion, agrees to pay to settle any such claims; and (c) reimburse Buyer for any amounts that Buyer may have to pay to satisfy any judgments or awards entered against Buyer based upon any such claims.

**FORCE MAJEURE** Any delay or failure of either party to perform its obligations under these Terms and Conditions will be excused to the extent that the delay or failure was caused directly by an event beyond such party's control, without such party's fault or negligence and that by its nature could not have been foreseen by such party or, if it could have been foreseen, was unavoidable (which events may include but are not limited to natural disasters, extreme weather, embargoes, equipment failure, explosions, riots, wars, or acts of terrorism) (each, a "Force Majeure Event"). Following a Force Majeure Event, the impacted party shall provide prompt notice to the other party, and shall use diligent efforts to minimize the effects of any Force Majeure Event. If the Force Majeure Event prevents performance of these Terms and Conditions for more than thirty days, either party may terminate these Terms and Conditions.

**INSURANCE** Supplier shall have and maintain insurance with a limit of \$2,000,000 per occurrence. Insurance shall include products liability coverage and a vendor's endorsement naming Buyer as an additional insured. Supplier will provide Buyer with a certificate of insurance demonstrating compliance with this requirement.

**CONFIDENTIALITY** Supplier shall not use or disclose any specifications, requirements, drawings, data or other information furnished to Supplier by Buyer for any purpose other than fulfilling its obligations to Buyer.

**WARRANTIES** Supplier warrants that it will comply with the Land O'Lakes Supplier Code of Conduct (as may be amended), and all applicable laws, rules and regulations. Supplier warrants that all goods furnished by Supplier to Buyer shall: (a) be produced, marketed, priced and delivered in full compliance with all applicable laws, rules and regulations; (b) as applicable, for goods used in food for human consumption, comply with the Land O'Lakes, Inc., LOL Dairy Foods Division Product Safety and Quality Manual, or, for goods used for animal nutrition, comply with the Land O'Lakes, Inc., Animal Food Safety and Quality Expectations Manual (each as may be amended); (c) conform to all applicable samples, specifications, drawings and descriptions; (d) be free from any patent or latent defects in design, material or workmanship; (e) be of merchantable quality; (f) be fit for Buyer's particular use; and (e) not be adulterated or misbranded within the meaning of the United States Federal Food, Drug, and Cosmetic Act. Any goods furnished by Supplier to Buyer that become subject to any recall or market withdrawal shall be deemed defective, not merchantable and not fit for Buyer's particular use. Buyer shall be entitled to pursue all available remedies in the event of any breach of contract or warranty by Supplier, including recovery of incidental and consequential damages.

**LIENS** All goods furnished by Supplier to Buyer shall be free and clear of any liens or encumbrances.

**LEGAL ACTION** All sales of any goods by Supplier to Buyer shall be governed by Minnesota law. Any dispute relating to or arising out of the sale of any goods by Supplier to Buyer shall be venued in state or federal court in Minnesota. Supplier consents to personal jurisdiction in Minnesota and waives any claim that venue in Minnesota is inconvenient or improper. Buyer shall be entitled to recover all of its attorney fees, expert witness fees, costs and disbursements relating to or arising out of any breach of contract or warranty by Supplier.

[End]

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Purchase Order Print

02/19/2021

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Correspondence Method Fax  
Fax #LAND O'LAKES  
306 PARK ST  
SPENCER WI 54479Shipped From  
GRASSLAND DAIRY PRODUCTS INC  
N8790 FAIRGROUND AVENUE  
PO BOX 160  
GREENWOOD WI 54437-0160

## Purchase Order

P O Number Revision  
50986532 OP 0Ship To  
LOL SPENCER  
306 PARK ST  
SPENCER WI 54479Bill To :  
LAND O'LAKES, INC.  
PO BOX 64281  
ST PAUL MN 55164

Email: DairyPO@LandoLakes.com

Ship/Have Ready Date	Payment Terms	Date of Order / Buyer
01/28/2021	NET 10 DAYS	12/15/2020 SCHOENFUSS, JESSICA
Arrival Date	Buyer Phone #	Date of Revision / Buyer
01/28/2021		
FOB / Freight Terms	Ship Via	Carrier
DFP FOB Destination, Freight PPD		
Delivery		

Line	Item Number	Vendor Item Number	Description /Supplier Item	Ordered	Unit	Unit Price	Extended Price
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	186003		BUTTERMILK PWD SWT CRM 50# BG				

For delivery appointments please email Dan Weber - dhweber@landolakes.com.

Please acknowledge receipt of this order via fax or email along with any changes/updates.

A Certificate of Analysis MUST be sent, preferably via email, to: SpencerCOA@landolakes.com . If unable to email, please have it sent with the driver or faxed to: (715) 659-5990. Failure to do so will result in the truck being held for unloading until one is received.

Thank you.

Order Type OP

Total Order 48,664.00

## Full truck load shipments:

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R43500 --

LAND O'LAKES  
Purchase Order Print

02/19/2021

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2 of 2

Correspondence Method      Fax  
Fax #LAND O'LAKES  
306 PARK ST  
SPENCER WI 54479Shipped From  
GRASSLAND DAIRY PRODUCTS INC  
N8790 FAIRGROUND AVENUE  
PO BOX 160  
GREENWOOD WI 54437-0160**Purchase Order**P O Number      Revision  
50986532      OP      0Ship To  
LOL SPENCER  
306 PARK ST  
SPENCER WI 54479Bill To :  
LAND O'LAKES, INC.  
PO BOX 64281  
ST PAUL MN 55164

Email: DairyPO@LandoLakes.com

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DFP    FOB Destination, Freight PPD		
Delivery		

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bill of lading revised to reflect the new seal number, along with the date, time, the driver's initials, a detailed explanation of the reason the seal tag was compromised, and the driver will re-secure the padlock to the trailer until it is verified by the Land O'Lakes receiving facility. In addition, a follow-up phone call must be made to your Land O'Lakes contact outlining these circumstances.

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**RISK OF LOSS** Risk of loss shall pass to Buyer only upon receipt of goods furnished by Supplier at Buyer's place of business.

**INDEMNIFICATION** Supplier shall defend and indemnify Buyer from and against any and all claims by any third parties for death, personal injury, property damage, economic loss or other damage or loss caused directly or indirectly by any goods furnished by Supplier to Buyer. Supplier's obligations shall include the obligation to: (a) pay all attorney fees, expert witness fees, costs and disbursements incurred by Buyer in defending any such claims; (b) reimburse Buyer for any amounts that Buyer, in its sole discretion, agrees to pay to settle any such claims; and (c) reimburse Buyer for any amounts that Buyer may have to pay to satisfy any judgments or awards entered against Buyer based upon any such claims.

**FORCE MAJEURE** Any delay or failure of either party to perform its obligations under these Terms and Conditions will be excused to the extent that the delay or failure was caused directly by an event beyond such party's control, without such party's fault or negligence and that by its nature could not have been foreseen by such party or, if it could have been foreseen, was unavoidable (which events may include but are not limited to natural disasters, extreme weather, embargoes, equipment failure, explosions, riots, wars, or acts of terrorism) (each, a "Force Majeure Event"). Following a Force Majeure Event, the impacted party shall provide prompt notice to the other party, and shall use diligent efforts to minimize the effects of any Force Majeure Event. If the Force Majeure Event prevents performance of these Terms and Conditions for more than thirty days, either party may terminate these Terms and Conditions.

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**CONFIDENTIALITY** Supplier shall not use or disclose any specifications, requirements, drawings, data or other information furnished to Supplier by Buyer for any purpose other than fulfilling its obligations to Buyer.

**WARRANTIES** Supplier warrants that it will comply with the Land O'Lakes Supplier Code of Conduct (as may be amended), and all applicable laws, rules and regulations. Supplier warrants that all goods furnished by Supplier to Buyer shall: (a) be produced, marketed, priced and delivered in full compliance with all applicable laws, rules and regulations; (b) as applicable, for goods used in food for human consumption, comply with the Land O'Lakes, Inc., LOL Dairy Foods Division Product Safety and Quality Manual, or, for goods used for animal nutrition, comply with the Land O'Lakes, Inc., Animal Food Safety and Quality Expectations Manual (each as may be amended); (c) conform to all applicable samples, specifications, drawings and descriptions; (d) be free from any patent or latent defects in design, material or workmanship; (e) be of merchantable quality; (f) be fit for Buyer's particular use; and (e) not be adulterated or misbranded within the meaning of the United States Federal Food, Drug, and Cosmetic Act. Any goods furnished by Supplier to Buyer that become subject to any recall or market withdrawal shall be deemed defective, not merchantable and not fit for Buyer's particular use. Buyer shall be entitled to pursue all available remedies in the event of any breach of contract or warranty by Supplier, including recovery of incidental and consequential damages.

**LIENS** All goods furnished by Supplier to Buyer shall be free and clear of any liens or encumbrances.

**LEGAL ACTION** All sales of any goods by Supplier to Buyer shall be governed by Minnesota law. Any dispute relating to or arising out of the sale of any goods by Supplier to Buyer shall be venued in state or federal court in Minnesota. Supplier consents to personal jurisdiction in Minnesota and waives any claim that venue in Minnesota is inconvenient or improper. Buyer shall be entitled to recover all of its attorney fees, expert witness fees, costs and disbursements relating to or arising out of any breach of contract or warranty by Supplier.

[End]

**Land O'Lakes, Inc. Corrective/Preventive Action (CAPA) Request Form**

**Company Name/Location** Grassland Dairy Products Inc.  
 Grassland Dairy Products Inc  
 Greenwood, WI, USA

**Issue Date** 1/28/2021  
**Issue ID** 5522  
**LOL Plant** Spencer, WI

**Ingredient/Product Number/Name** 186003 - SWT CR BUTTERMILK POWDER,50 LB  
**PO Number/Mfg. Lot Number** 509986531/  
**Quantity** 608 bg  
**Material Status** Placed on Hold  
**Brief Description** Blue Specks

**Section I - Complaint**

Blue Plastic specs were found through 2 lots of BMP – see photos in additional attachment.

**Completed by (LOL)** Jenn Tatro

**Date:** 1/28/2021

**Section II - Company Management contact**

**Name:** Laura Opelt

**Complete and Return to LOL By:** 2/4/2021

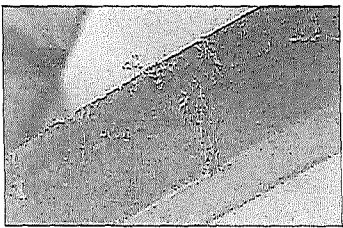
**Position:** Corporate Manager

**Section III - Corrective Action Owner/Manager**

1. Determine the root cause.
2. Define the actions and controls to correct and prevent the non-conformance from recurring.
3. Record the information. Sign name and date.

**Root Cause Details (why did complaint occur)**

The blue specs were identified as particulates of a tool used to aid the operator in product change overs when switching between products on the dryer. The operator failed to perform the tool integrity inspection prior to use, resulting in particulates in product. The blue particulates did not present as large blue particulate during scorch test as reported by LOL in complaint. After re-reviewing all scorch test cards, the particulates found were the size of a tip of a pin and recognized under a microscope as blue material. See picture below of tool.



**EXHIBIT**

    C    

**Corrective Action (short term action taken to eliminate the cause of the actual complaint)**

Retraining of all personnel on tool integrity inspection. Implementation of a microscope verification step if any scorch particulate is present on test pad. Disciplinary action taken as necessary.

**Preventive Action** (long term action taken to eliminate the cause of potential future complaints)

Management to review and verify integrity inspections of all equipment and tools per shift. Any scorch that presents on a scorch test pad will be reviewed under a microscope for material verification.

CAPA Owner Name: Laura Opelt

Date: 2/3/2021

Supplier Contact Name: Laura Opelt

Phone Number: 715-267-5287

# LAND O'LAKES, INC.

4001 Lexington Avenue North  
Arden, Hills, MN 55126

Mailing: P.O. Box 64101  
St. Paul, MN 55164-0101

651.375.2222  
landolakesinc.com

## VIA ELECTRONIC AND U.S. MAIL

February 24, 2021

Laura Opelt  
Corporate Manager  
Grassland Dairy Products, Inc.  
N8790 Fairground Avenue  
P.O. Box 160  
Greenwood, WI 54437-0160

Re: Notice of Breach and Claim

**EXHIBIT**

**D**

Dear Ms. Opelt:

As you know, on December 15, 2020, Land O'Lakes, Inc. ("Land O'Lakes") submitted two Purchase Orders (Purchase Order Nos. 50986531 and 50986532) to Grassland Dairy Products, Inc. ("Grassland") to purchase a total of 1,760 bags of Sweet Cream Buttermilk Powder ("Buttermilk Powder"). The Purchase Orders both provide that Land O'Lakes' Purchase Terms and Conditions, which were attached to the Purchase Orders, would govern the purchase transactions. Copies of the Purchase Orders are enclosed along with this letter.

Under Land O'Lakes' Purchase Terms and Conditions, Grassland warranted that the Buttermilk Powder would, among other things, conform to all applicable specifications, be free from any defects, be of merchantable quality and be fit for Land O'Lakes' particular use. Grassland further agreed that Land O'Lakes would be entitled to pursue all available remedies in the event of any breach of warranty by Grassland, including recovery of incidental and consequential damages.

Grassland accepted Land O'Lakes' Purchase Orders and produced the Buttermilk Powder at its plant in Greenwood, Wisconsin. The Buttermilk Powder was shipped to Land O'Lakes' production facility in Spencer, Wisconsin, on January 26 and 28, 2021. Land O'Lakes paid Grassland a total of \$97,328.00 for the Buttermilk Powder.

Land O'Lakes began using the Buttermilk Powder during the third shift at its Spencer facility on January 27, 2021, to produce two finished products, Sliced White American Cheese and Golden Velvet Cheddar Cheese Spread (collectively "Finished Products"). During a routine inspection, Land O'Lakes noticed blue plastic specs in the Finished Products. Blue plastic specs were also found in work in process for the Finished Products, equipment for the production lines for the

Laura Opelt  
February 24, 2021  
Page 2

Finished Products and in the unused Buttermilk Powder. At the time it discovered the blue plastic specs, the Spencer plant had already produced a total of 55,530 pounds of Sliced White American Cheese and 189,300 pounds of Golden Velvet Cheddar Cheese Spread with the contaminated Buttermilk Powder. The presence of the blue plastic specs rendered the Finished Products adulterated, unmerchantable and unsuitable for sale and distribution.

The contaminated Buttermilk Powder also damaged ingredients in the process of being made into Finished Products, consisting of reground cheese (referred to as "regrind"), blended ingredients and slurry (buttermilk and whey). The quantities of the ingredients damaged by the contaminated Buttermilk Powder were as follows:

<u>Ingredient</u>	<u>Pounds</u>
Blended Product	27,036
Regrind	7,314
Buttermilk	1,320
Whey	872

Finally, Land O'Lakes had to undertake extensive cleaning of the two production lines for the Finished Products that were contaminated by the blue plastic specs from the Buttermilk Powder. The cleaning resulted in a total of 23.5 hours of downtime.

On January 28, 2021, Land O'Lakes notified Grassland of the blue plastic specs found in the Finished Products, work in progress, production lines and Buttermilk Powder and provided Grassland with a Corrective/Preventative Action Request Form ("CAPA Form"). Grassland investigated the matter and determined that the blue plastic specs came from a tool used by Grassland in its Greenwood plant. The operator who used the tool apparently failed to inspect it prior to use. On February 3, 2021, Grassland completed the CAPA Form, acknowledged the source of the blue plastic specs and stated that it would retrain its personnel regarding tool integrity inspections and implement a microscope verification step for Buttermilk Powder as a preventative/corrective action.

Please consider this letter as formal written notice of Grassland's breach of Land O'Lakes' Purchase Terms and Conditions. Land O'Lakes believes that Grassland breached the Purchase Terms and Conditions by supplying Land O'Lakes with Buttermilk Powder that was adulterated, not in compliance with the applicable specification, defective, not merchantable and not fit for Land O'Lakes' use.

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Laura Opelt  
February 24, 2021  
Page 3

As a result of Grassland's breaches of the Purchase Terms and Conditions, Land O'Lakes has suffered losses, including costs to produce the ingredients and Finished Products damaged by the contaminated Buttermilk Powder and downtime losses. We estimate the total amount of these losses to be approximately \$344,131.00. A spreadsheet detailing these losses is enclosed along with this letter.

Land O'Lakes is also entitled to a refund or credit for Buttermilk Powder returned to Grassland. Land O'Lakes returned a total of 1,487 bags of Buttermilk Powder to Grassland. Land O'Lakes paid a total of \$82,231.10 for the returned Buttermilk Powder.

In an effort to mitigate its losses, Land O'Lakes sold some of the ingredients for animal feed. Land O'Lakes plans to also sell the remaining ingredients and the Finished Products for animal feed. Land O'Lakes estimates that it will be able to recover approximately \$30,951.00 from the sale of the ingredients and Finished Products. Land O'Lakes would like to proceed with the sale as soon as possible. Please let me know if Grassland would like to inspect and/or sample any of the ingredients or Finished Products prior to sale.

We regret that we have to provide Grassland with this letter. Grassland has been an exemplary supplier for Land O'Lakes. We deeply value our business relationship with Grassland and hope that we can reach a resolution of this matter that compensates Land O'Lakes for its losses and preserves and strengthens the business relationship between our companies.

Very truly yours,

*/s Corrie D. Preston*

Corrie D. Preston  
Senior Procurement Manager

Encs.



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LAND O'LAKES  
Purchase Order Print

02/19/2021

Page - 1 of 2

Correspondence Method Fax  
Fax #LAND O'LAKES  
306 PARK ST  
SPENCER WI 54479Shipped From  
GRASSLAND DAIRY PRODUCTS INC  
N8790 FAIRGROUND AVENUE  
PO BOX 160  
GREENWOOD WI 54437-0160Purchase Order  
P O Number Revision  
50986531 01 0  
Ship To  
LOL SPENCER  
306 PARK ST  
SPENCER WI 54479Bill To :  
LAND O'LAKES, INC.  
PO BOX 64281  
ST PAUL MN 55164

Email: DairyPO@LandoLakes.com

Ship/Have Ready Date	Payment Terms	Date of Order / Buyer
01/26/2021	NET 10 DAYS	12/15/2020 SCHOENFUSS, JESSICA
Arrival Date	Buyer Phone #	Date of Revision / Buyer
01/26/2021		
FOB / Freight Terms	Ship Via	Carrier
DFP FOB Destination, Freight PPD		
Delivery		

Line	Item Number	Vendor Item Number	Description /Supplier Item	Ordered	Unit	Unit Price	Extended Price
1.000186003			BUTTERMILK PWD SWT CRM 50# BG	880.0000	BG	1.1060	48,664.00
	186003		BUTTERMILK PWD SWT CRM 50# BG				

For delivery appointments please email Dan Weber - dhweber@landolakes.com.

Please acknowledge receipt of this order via fax or email along with any changes/updates.

A Certificate of Analysis MUST be sent, preferably via email, to: SpencerCOA@landolakes.com . If unable to email, please have it sent with the driver or faxed to: (715) 659-5990. Failure to do so will result in the truck being held for unloading until one is received.

Thank you.

Order Type OP

Total Order 48,664.00

Full truck load shipments:

Land O'Lakes trailer seal policy requires that all truckload shipments must have a numbered seal tag secured by the shipping facility, and at which time the driver will also secure a padlock to the trailer. The numbered seal will be noted on the BOL for verification at the receiving facility. The seal tag and padlock must remain on the trailer, intact, until verified and removal of the seal by the Land O'Lakes receiving facility. In the unusual event that the original seal tag has to be removed in route, a new seal tag should be placed on the trailer.

R43500

LAND O'LAKES  
Purchase Order Print

02/19/2021

Page -

2 of 2

Correspondence Method

Fax

Fax #

## Purchase Order

P O Number Revision

50986531 OP 0

Ship To

LOL SPENCER

306 PARK ST

SPENCER WI 54479

LAND O'LAKES

306 PARK ST

SPENCER WI 54479

Shipped From

GRASSLAND DAIRY PRODUCTS INC

N8790 FAIRGROUND AVENUE

PO BOX 160

GREENWOOD WI 54437-0160

Bill To :

LAND O'LAKES, INC.

PO BOX 64281

ST PAUL MN 55164

Email: DairyPO@LandoLakes.com

Ship/Have Ready Date	Payment Terms	Date of Order / Buyer
01/26/2021	NET 10 DAYS	12/15/2020 SCHOENFUSS, JESSICA
Arrival Date	Buyer Phone #	Date of Revision / Buyer
01/26/2021		
FOB / Freight Terms	Ship Via	Carrier
DFF FOB Destination, Freight PPD		
Delivery		

Line	Item Number	Vendor Item Number	Description /Supplier Item	Ordered	Unit	Unit Price	Extended Price
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bill of lading revised to reflect the new seal number, along with the date, time, the driver's initials, a detailed explanation of the reason the seal tag was compromised, and the driver will re-secure the padlock to the trailer until it is verified by the Land O'Lakes receiving facility. In addition, a follow-up phone call must be made to your Land O'Lakes contact outlining these circumstances.

## LTL shipments:

All LTL shipments must be secured with a padlock, at a minimum, to the truck trailer. The padlock must be utilized to secure the trailer throughout the LTL delivery schedule. A Land O'Lakes representative must verify the shipment was secured with the trailer padlock upon delivery at the receiving location

Supplier acknowledges that the Land O'Lakes Terms and Conditions attached and incorporated herein shall govern this transaction.

\*\*\*\*\*REPRINT\*\*\*\*\*REPRINT\*\*\*\*\*REPRINT\*\*\*\*\*REPRINT\*\*\*\*\*REPRINT\*\*\*\*\*REPRINT

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**PURCHASE TERMS AND CONDITIONS**

**AGREEMENT** These Terms and Conditions shall govern all sales of goods made by the party selling ("Supplier") to Land O'Lakes, Inc. and/or its subsidiaries or divisions including Nutra-Blend, LLC, Purina Animal Nutrition, LLC, and Vermont Creamery, LLC (collectively "Buyer"). If Supplier has made an offer to Buyer, Buyer's acceptance of Supplier's offer is expressly made conditional on Supplier's assent to these Terms and Conditions. If Supplier has not made an offer to Buyer, Buyer objects to any additional or different terms set forth in any acceptance from Supplier. Supplier's commencement of any performance in response to Buyer's offer or counteroffer shall constitute Supplier's acceptance of these Terms and Conditions.

**DELIVERY AND INSPECTION** Time shall be of the essence with respect to the delivery of any goods ordered by Buyer from Supplier. All goods furnished by Supplier to Buyer shall be received subject to Buyer's right of inspection and rejection at any time after receipt. Supplier shall reimburse Buyer for all costs and expenses incurred by Buyer in returning any rejected goods to Supplier.

**RISK OF LOSS** Risk of loss shall pass to Buyer only upon receipt of goods furnished by Supplier at Buyer's place of business.

**INDEMNIFICATION** Supplier shall defend and indemnify Buyer from and against any and all claims by any third parties for death, personal injury, property damage, economic loss or other damage or loss caused directly or indirectly by any goods furnished by Supplier to Buyer. Supplier's obligations shall include the obligation to: (a) pay all attorney fees, expert witness fees, costs and disbursements incurred by Buyer in defending any such claims; (b) reimburse Buyer for any amounts that Buyer, in its sole discretion, agrees to pay to settle any such claims; and (c) reimburse Buyer for any amounts that Buyer may have to pay to satisfy any judgments or awards entered against Buyer based upon any such claims.

**FORCE MAJEURE** Any delay or failure of either party to perform its obligations under these Terms and Conditions will be excused to the extent that the delay or failure was caused directly by an event beyond such party's control, without such party's fault or negligence and that by its nature could not have been foreseen by such party or, if it could have been foreseen, was unavoidable (which events may include but are not limited to natural disasters, extreme weather, embargoes, equipment failure, explosions, riots, wars, or acts of terrorism) (each, a "Force Majeure Event"). Following a Force Majeure Event, the impacted party shall provide prompt notice to the other party, and shall use diligent efforts to minimize the effects of any Force Majeure Event. If the Force Majeure Event prevents performance of these Terms and Conditions for more than thirty days, either party may terminate these Terms and Conditions.

**INSURANCE** Supplier shall have and maintain insurance with a limit of \$2,000,000 per occurrence. Insurance shall include products liability coverage and a vendor's endorsement naming Buyer as an additional insured. Supplier will provide Buyer with a certificate of insurance demonstrating compliance with this requirement.

**CONFIDENTIALITY** Supplier shall not use or disclose any specifications, requirements, drawings, data or other information furnished to Supplier by Buyer for any purpose other than fulfilling its obligations to Buyer.

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[End]

F43500

LAND O'LAKES  
Purchase Order Print

02/19/2021

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1 of 2

Correspondence Method Fax  
Fax #

## Purchase Order

P O Number Revision  
50986532 0P 0LAND O'LAKES  
306 PARK ST  
SPENCER WI 54479Ship To  
LOL SPENCER  
306 PARK ST  
SPENCER WI 54479Shipped From  
GRASSLAND DAIRY PRODUCTS INC  
N8790 FAIRGROUND AVENUE  
PO BOX 160  
GREENWOOD WI 54437-0160Bill To :  
LAND O'LAKES, INC.  
PO BOX 64281  
ST PAUL MN 55164

Email: DairyPO@LandoLakes.com

Ship/Have Ready Date	Payment Terms	Date of Order / Buyer
01/28/2021	NET 10 DAYS	12/15/2020 SCHOENFUSS, JESSICA
Arrival Date	Buyer Phone #	Date of Revision / Buyer
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FOB / Freight Terms	Ship Via	Carrier
DFP FOB Destination, Freight PPD		
Delivery		

Line	Item Number	Vendor Item Number	Description /Supplier Item	Ordered	Unit	Unit Price	Extended Price
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R43500

LAND O'LAKES  
Purchase Order Print

02/19/2021

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Correspondence Method Fax  
Fax #

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P O Number Revision  
50986532 OP 0Ship To  
LOL SPENCER  
306 PARK ST  
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\*\*\*\*\*REPRINT\*\*\*\*\*REPRINT\*\*\*\*\*REPRINT\*\*\*\*\*REPRINT\*\*\*\*\*REPRINT\*\*\*\*\*REPRINT

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[End]



Grassland Dairy - PSQE and Other Costs

<u>Finished Goods</u>						Total Value Gross of Animal Feed Revenue	Total Value Net of Animal Feed Revenue
<u>SKU</u>	<u>Description</u>	<u>Cases</u>	<u>Pounds</u>	<u>Cost/lb.</u>			
46022000034500	6/5# 160S VERT W AM PROD HILLD	1,851	55,530	\$ 1.29644	\$	71,991	\$ 65,883
48775000034500	6/5# F/S GOLDEN VELVET YEL SPD	6,310	189,300	\$ 1.16449	\$	220,439	\$ 199,616
Total FG - PSQE		8,161	244,830		\$	292,430	\$ 265,499

Regrind/Ingredients

300010	BLND SLC PROD, INGRDS	-	27,036	\$ 1.30980	\$	35,412	\$ 32,438
302962	REGRIND FROM 502962	-	7,314	\$ 1.20640	\$	8,824	\$ 8,019
186003	BUTTERMILK PWD SWT CRM 50#	-	1,320	\$ 1.17110	\$	1,546	\$ 1,401
2724341	25KG EXTRA GRADE SWEET WHEY	-	872	\$ 0.41920	\$	366	\$ 270
Total Regrind & Ingredients			36,542		\$	46,147	\$ 42,127
Total FG, Regrind & Ingredients		8,161	281,372		\$	338,577	\$ 307,626

Labor

<u>Other</u>	<u>Description</u>	<u>Hours</u>	<u># of Empl.</u>	<u>Rate</u>	<u>Total Cost</u>	<u>Total Cost</u>
Labor	Downtime for SOS - includes Clean-up	16.50	10	\$ 23.72	\$ 3,913	\$ 3,913
Labor	Downtime for AMR Loaf - includes Clean-up	7.00	10	\$ 23.45	\$ 1,641	\$ 1,641
Total Labor		23.50			\$ 5,555	\$ 5,555
Grand Total					\$ 344,132	\$ 313,181